



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

July 2, 2008

Richard Shiozaki, Senior Vice President
Denso Sales California, Inc.
3900 Via Oro Avenue
Long Beach, CA 90810

Dear Mr. Shiozaki:

RE: FINAL MONITORING VISIT REPORT for Denso Sales California, Inc. (Denso) – ET06-0277

Date of the Visit:	05/30/08
Beginning/Ending Time:	9:30 a.m. – 1:30 p.m.
Date of Last Visit:	11/15/07
Visit Location:	Long Beach
Persons in attendance:	Izumi Koh, Assistant Manager, Denso Debby Eubanks, Training Development Specialist, Denso William Sacks, National Training Company, Inc. (NTC) Elsa Wadzinski, Contract Analyst, ETP
Action Required:	Yes – Outstanding action items will be completed by 6/15/08

Term of Agreement:	4/5/06 – 4/4/08	Agreement Amount:	\$230,620
Training Start Date:	4/12/06	No. to Retain:	240
Date Training must be Completed:	1/5/08	Range of Hours:	24 - 160
Type of Trainee:	Retrainee/SET Frontline Worker	Weighted Ave. Hours:	75 & 62

During this final visit, project staff advised the Analyst that Tom Weaver, of Denso, is no longer the contact person for this contract, as he has left the company. Ms. Wadzinski was advised that Izumi Koh has taken over as contact person to see this contract through this Final Visit.

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*ACTION CORRECTED FROM
THIS VISIT:*

ATTENDANCE ROSTERS/INVOICES: See Page 2
(Corrections completed June 30, 2008)

ATTENDANCE ROSTERS/INVOICES:

During the Final visit, the Analyst reviewed class/lab attendance rosters for 23 Job 1 trainees listed on Invoice 3 and 4 for Final Payments. The review sample consisted of records for training completed during the period 04/12/06 through 12/21/07. During this review, the Analyst found the following issues:

1. No original roster for three hours of Computer Skills training provided to Jocelyn Arevalo on May 25, 2006.
2. No original roster for two hours of Business Skills training for Carlos Carawayon December 13, 2006.
3. No original roster for five hours of Business Skills training for Tom Everaert on December 14, 2006.
4. Photocopies of rosters for seven hours of Business Skills training provided to Richard Christophersen and Tim Little on October 1, 2006 and October 3, 2006.

Project staff attempted to find original rosters for the training listed above during this visit, and was not able to do so. Mr. Sacks advised the Analyst that he will remove the training hours for the training listed in items 1 through 3, and will determine if the contractor can provide secondary source documentation to validate the training listed in item 4 above, by June 15, 2008.

The Analyst advised project staff that since Final Payments had already been submitted for these trainees, they will need to provide her with the names and last four digits of the trainees social security number, so Ms. Wadzinski can contact the Fiscal Unit to delete these trainees from the system, so the corrections can be made and another Final Invoice for the correct number of training hours can be submitted.

Ms. Wadzinski spoke to Ms. Eubanks of Denso Sales on July 1, 2008, who advised her that the corrections had been completed. Ms. Wadzinski verified the information on the ETP On-Line Tracking System had been corrected, and Denso Sales submitted there Final Invoices.

Your project staff was advised that these findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442]

FINAL REPORT SUMMARY:

The Agreement was executed on April 18, 2006 and training began on April 12, 2006. Your project staff reported that all ETP training was completed on December 21, 2007, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – April 4, 2008. There were no revision requests during the term of the Agreement.

According to Mr. Sacks, of the estimated 240 trainees specified on Chart 1, Exhibit A of the Agreement, 171 trainees (71%) have completed the minimum number of training hours required (24 hours) for reimbursement and completed the 90-day retention period. The total hours

provided to trainees who met the required minimum in Job 1 are 6,543 and 0 in Job 2. At a reimbursement rate of \$13 per hour for Job 1 trainees, Denso would earn approximately \$85,059 (37%) of the total ETP Agreement amount, assuming all other Agreement requirements are met. Since you have been paid \$26,568.75 to date, you will receive an additional \$58,490.25 in funding if the anticipated number to retain is verified during the final fiscal closeout. The Analyst commented that these amounts are subject to change based on the action item listed on page 2 of the report.

Ms. Koh stated that although you did not complete 100 percent of the training, Denso has been able to provide its employees with training in Continuous Improvement, Computer Skills and Business Skills training that she believes is associated with the sales growth the company has experienced in the last year. She also commented that this training has helped their employees gain skills needed to work together more cohesively in a teamwork environment and enjoy improved camaraderie. Finally, she indicated that the new skills make employees more valuable to the company and increases retention.

In discussing what barriers you experienced in implementing your ETP program, project staff stated that due to the turnover in the staff overseeing this contract, it was difficult to implement the training plan originally submitted.

In discussing the ETP record keeping, you indicated that your administration was provided by a third party, and you reported that in getting familiar with ETP's websites, you find them user-friendly. It was also stated that the ETP staff provided good support throughout the Agreement. In closing, Ms. Koh stated that Denso is interested in returning to ETP for another contract in the near future to complete the training plan originally submitted.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training (in Reten.)	Number of Trainees Completed Retention
1	220	258	82	171	171	171
2	20	0	0	0	0	0
Totals:	240	258	82	171	171	171

AUDIT:

Denso will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.

- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at ewadzinski@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Dolores Kendrick, Manager
North Hollywood, Regional Office

Elsa Wadzinski, Contract Analyst
North Hollywood, Regional Office

cc: Izumi Koh, Assistant Manager (via E-Mail)
Denso Sales California, Inc.

Debby Eubanks, Training Development Specialist (via E-mail)
Denso Sales California, Inc.

William Sacks, Vice President Operation (via E-mail)
National Training Company

Brian McMahon, Executive Director
David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor _____